



Incy S. Muir, RN, CNA, MPA
Chair, Board of Directors

Brian Ellsworth
President/Chief Executive Officer

TESTIMONY
BEFORE THE LABOR AND PUBLIC EMPLOYEES COMMITTEE
REGARDING:

H.B. No. 5699

AN ACT CONCERNING INCREASED PAY RATES FOR HOME HEALTH AIDES.

February 20, 2007

Senator Prague, Representative Ryan and members of the Labor and Public Employees Committee, my name is Kimberly Skehan and I am Vice President for Clinical & Regulatory Services for the Connecticut Association for Home Care, which serves over 75,000 elderly and disabled Connecticut citizens. I am a Registered Nurse with twenty years of home care experience.

The Association appreciates this opportunity to speak to you about our concerns regarding H.B. No. 5699. While we support and appreciate consideration of an increase in home health aide reimbursement rates paid to our agencies, **we do not support this bill as it is currently written.**

The current Medicaid reimbursement rates for home health services do not cover direct costs, let alone make a contribution to overhead. This is not sustainable for agencies. This bill as it is written supports our request for sorely needed and overdue increases in Medicaid reimbursement. But this increase is needed just to allow us to meet our **current** direct costs. If the rate paid to home health aides is then proportionately increased by 20-25% as stated in requirement (1) of this bill, this will not help our current situation.

Home health agencies currently are reimbursed at a minimum of 25% below direct costs. As stated previously, this does not include overhead costs. A key component of our Association's 2007 Legislative Agenda is our request for an overall 24% increase in Medicaid rates paid to agencies for home health aide services. The reason we have asked for this amount is due to the fact that **home care providers did NOT receive a cost of living adjustment last fiscal year, nor did they receive funds allocated to reimburse providers for increased energy costs. In addition, a Medicaid fee adjustment for home care was not included in the Governor's proposed biennial budget.** Yet we continue to face increased wage costs due to critical labor shortages, as well as double-digit health insurance and staff mileage reimbursement expenses.

Our home health agencies understand the desire and long term need for improved home health aide wages. However, the 2005 Bureau of Labor statistics indicate that Connecticut has the highest average hourly rate for home health aides in the nation. This hourly rate is almost \$3.00 per hour higher than the national mean hourly rate. Connecticut is also listed in two out of the top five highest paying metropolitan service areas for this position. In addition, the average home health aide salary in CT is over \$6,000.00 higher than the national average.¹ Please note these are May 2005 statistics that are the most current available. It may be assumed that these rates have increased during the past two years.

The issue is not the rate paid to our home health aides. It is the fact that even at our current Medicaid reimbursement rates, agencies are not able to meet direct costs, and the reimbursement increase proposed in this bill along with the hourly wage increase requirement in section (1) will not address this issue.

By not effectively addressing the issue of Medicaid reimbursement rates, this creates a funding shortfall that fundamentally undermines home care's ability to provide the preferred form of care for patients, their families and the taxpayer. Last year, the CT Home Care Program for Elders saved the State over \$74 million dollars through reduced nursing home use.²

In order to continue to provide care for our patients in their homes, home health agencies must be able to meet their expenses. Therefore, we ask that the wording of this bill be amended to address the reimbursement rate provided to the home health agencies as cited in proposed requirement (2), and remove the requirement of the increase in home health aide hourly rates.

Thank you for consideration of our comments. I would be pleased to answer any questions you may have.

**Please come to CAHC's Legislative Breakfast,
co-sponsored with the CT Council for Hospice & Palliative Care,
on February 27th from 8:30 to 10:00 a.m. in the private dining room of the LOB.**

¹ U.S. Department of Labor-Bureau of Labor Statistics-Occupational Employment and Wages, May 2005

² Annual Report by DSS on the CT Home Care Program for Elders - CT's Medicaid waiver program. Unfortunately, according to AARP, CT still ranks 5th in the country for nursing home residents per 100 age 65 persons.